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CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

I. THE COMMUNIST BLOC

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NO USSR: [The Soviet Union is seeking to exploit any differences between the US and Britain over Macmillan's proposal, endorsed by Khrushchev, for a predetermined number of annual on-site inspections of suspected nuclear explosions. Khrushchev's letters of 16 May to President Eisenhower and Macmillan and Gromyko's statements at Geneva are designed to create the impression that the way has been opened for an early signing of a test-cessation agreement. Khrushchev probably believes these moves will place the British Government under increasing pressure to conclude such an agreement.]

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NO UK-Yemen: (The talks opening in Aden on 18 May between local British and Yemeni representatives regarding border incidents and subversion across the borders are unlikely to result in any significant improvement in British-Yemeni relations despite the fact that Crown Prince Badr has recently veered away from a pro-Soviet line. London seeks a period of quiet to facilitate development of the Aden Protectorate Federation and will propose creating a permanent border investigating commission. Badr also seems interested in keeping the border undisturbed but is maintaining his capability for arousing disaffected tribesmen within the protectorate.)

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DAILY BRIEF

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Ceylon: Prime Minister Bandaranaike has attempted to solve his cabinet crisis by stripping extreme leftist Agriculture Minister Gunawardena of most of his powers but retaining him in the cabinet. The ten moderate cabinet ministers who had threatened to resign if Gunawardena were not fired are reported to be satisfied with Bandaranaike's move, at least temporarily. The breakup of Bandaranaike's coalition government and a call for new national elections now seem remote.

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NO

*Laos: On 17 May, Prince Souphanouvong, chief of the erstwhile dissident Pathet Lao Communists told the Laotian chief of staff that he was willing to order two holdout Pathet Lao battalions to integrate into the Laotian Army. Later the same day, the chief of staff reported that one of the battalions, in northern Laos, had capitulated and that he expected the other battalion, in central Laos, to surrender on 18 May.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

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Moscow Maneuvering to Divide the West on Test Cessation

[Khrushchev's 15 May letters to President Eisenhower and British Prime Minister Macmillan on a nuclear test-cessation agreement are a further effort to divide the United States and Britain by endorsing Macmillan's proposal for a predetermined number of annual on-site inspections of suspected nuclear explosions. Khrushchev's letter to President Eisenhower accepting in part the Western proposal for further technical discussions on condition they are limited to discussion of high altitude detection follows pressure by Soviet Foreign Minister Gromyko in private talks in Geneva with his American and British counterparts for immediate initialing of a test-cessation agreement in principle. Moscow thereby seeks to avoid technical discussions on underground tests and on the criteria for determining the number of on-site inspections. Khrushchev's letters repeated the Soviet position that fixing the number of inspections must be a high-level political decision. He noted also that the West "takes into account our view that such inspections should not be numerous."]

[Khrushchev and Gromyko reaffirmed the Soviet position that unanimity of the three nuclear powers would not be required for the dispatch of inspection teams if agreement is reached on the number of inspections. They also expressed confidence that none of the powers would violate an agreement once it was signed.]

[Moscow probably estimates that the United States will continue to reject any solution to the test-cessation problem which does not determine the number of annual inspections on the basis of scientific data. Khrushchev probably hopes that his latest letters, couched in optimistic terms, will impress world public opinion with the seriousness of the Soviet negotiating posture and with the progress being made toward easing international tension.]

[Khrushchev's warm note to Macmillan referring to the "closeness of our positions on your idea" is probably calculated to place]

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the British Government under increasing pressure at home to conclude a test-cessation agreement. Moscow also apparently hopes that any differences between the United States and Britain on this issue could be exploited to advance Soviet objectives on other questions under negotiation at the foreign ministers' conference and a possible future summit meeting.

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Prime Minister Bandaranaike Moves to End Ceylon's
Cabinet Crisis

Prime Minister Bandaranaike on 15 May moved to end his cabinet crisis, which began on 6 May when 10 moderate ministers threatened to resign if extreme leftist Agriculture Minister Gunawardena were not fired. He announced on that date that he personally will administer the system of agricultural cooperatives and food distribution through which Gunawardena had been accused of spreading Marxism and increasing his own power. Gunawardena, who will remain in the cabinet, will deal only with matters involving agricultural production.

The moderate cabinet group, hesitant to force the fall of the government and thus precipitate new national elections, reportedly has accepted Bandaranaike's compromise proposal. Gunawardena is expected to announce on 19 May whether or not he will accept this blow to his prestige and remain in the government. Meanwhile, he apparently is attempting to put pressure on Bandaranaike by indicating the parliamentary strength he could withdraw from the government coalition.

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Should Gunawardena and his followers leave the government, Bandaranaike's, 56-member coalition would lose its majority in the 101-man parliament. However, Bandaranaike's prospects of replacing possible defectors with conservative opposition elements who do not wish new elections are better than Gunawardena's chances of rallying enough leftist support to bring down the government. It seems likely, therefore, that Gunawardena would prefer to retain his privileged position within the government rather than to lose virtually all his influence by resigning.

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While Governor General Goonetilleke has indicated that both he and the prime minister would prefer that Gunawardena resign,

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it is unlikely that Bandaranaike shares this view. Bandaranaike probably will attempt to persuade Gunawardena that his concession to the moderates is a tactic to maintain the status quo and thus to protect both his and Gunawardena's position.

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